Service Date: November 15, 1976

DEPARTMENT OF PUBLIC SERVICE REGULATION
PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF the application of	)	UTILITY DIVISION
MONTANA-DAKOTA UTILITIES COMPANY	)	
for authority to establish increased rates for	)	DOCKET NO. 6277, 6309
electric and gas service.	)	6341, 6342, 6343
	)	ORDER NO. 4245A
	)	

APPEARANCES

For the Applicant:

Henry Loble, Lester H. Loble, II, attorneys for the Applicant;
Montana-Dakota Utilities Company, 400 North Fourth Street, Bismarck, North Dakota 58501

For the Protestants and Intervenors:

Geoffrey L. Brazier, Montana Consumer Counsel, 34 West Sixth Avenue, Helena, Montana 59601

William E. O'Leary, attorney at law, and George F. Hess, for the Montana Consumer Counsel

Jerome Anderson, attorney at law, Fred A. Haddenhorst and Gary Johnson, for Gary Operating Company, 4 Inverness Court East, Englewood, Colorado 80110

C. W. Leaphart, Jr., attorney at law, and Earl Moon, for The Great Western Sugar Company, P. O. Box 5308, Denver, Colorado 80217

John Badger, attorney at law, R. B. Blomeyer and R. R. Fritz, for Continental Oil Company, P. O. Box 2197, Houston, Texas 77001

For the Commission:

Russell L. Doty, Jr., attorney at law, Dr. J. W. Wilson and Dr. E.

Jeffery Livingston, for the staff of the Montana Public Service Commission

Before:

Gordon E. Bollinger, Chairman
P. J. Gilfeather, Commissioner
Thomas G. Monahan, Commissioner
James R. Shea, Commissioner
George Turman, Commissioner

FINDINGS OF FACT

1. On April 15, 1975, Montana-Dakota Utilities Company (MDU, Applicant or Company) filed herein its application for increased rates and charges for electric and natural gas service. Thereafter, pursuant to order of the Commission, the application was set for hearing. After notice was given, hearings on the application were held as follows:

A. From the 21st day of September, 1975, through the 29th day of September, 1975, in Helena, Applicant's case was presented.

B. From the 1st day of December, 1975, through the 12th day of December, 1975, in Helena, the intervenors and Commission staff presented their cases. Thereupon all parties rested, all dockets were closed and the case was submitted to the Commission for decision.

C. "Satellite" hearings were held from the 15th day of December, 1975, to the 19th day of December, 1975, in various communities in Montana where the public was afforded an opportunity to express its views.

2. On the 2nd day of February, 1976, by written motion duly filed herein, MDU moved for temporary approval of increases of electric and natural gas rates and charges, pending the final decision of this Commission and subject to rebate. This motion was made pursuant to the provisions of Section 70-113, R. C. M. 1947. On March 3, 1976, the Commission issued Order No. 4245, granting temporary rate increases subject to rebate.

3. The five dockets which were combined for hearing are as follows:

Docket No. 6277: The application of MDU for authority to increase rates for both electric and natural gas service. The greatest part of this order is the Commission's final decision in this docket.

Docket No. 6309: The petition of MDU to adopt a regulation requiring industrial contract natural gas customers to be served under contracts no longer than one year in duration and approved by the Commission. This petition was withdrawn in favor of MDU's curtailment proposal, which is not before the Commission in this proceeding.

Docket No. 6341: The petition by the Montana Consumer Counsel to reduce the present electric and natural gas rates of MDU. Consumer Counsel's witness, George Hess found a revenue deficiency in both departments of MDU's operation.

Docket No. 6342: The petition of MDU to terminate gas service to Gary Operating Company (GOC) or, in the alternative, to serve GOC only at a reduced annual volume of consumption. This docket is treated herein.

Docket No. 6343: The petition of MDU to terminate gas service to The Great Western Sugar Company and to terminate the gas service contract it has with The Great Western Sugar Company. A settlement agreement in this dispute has been submitted and approved by the Commission.

4. MDU is a public utility serving customers within the State of Montana with natural gas and electric service. MDU's rates for natural gas and electric service are subject to the jurisdiction of this Commission.

PART A

RATE OF RETURN

5. The Commission finds that MDU had a June 30, 1975, cost of debt of 7.02 percent. This date is used as it permits the Commission to take account of more recent data than that presented by Mr. Jackson, the Company's rate of return witness. Jackson found a year-end 1974 cost of 7.05 percent, as shown on his Exhibit D-1, Schedule 20. However, recomputation of the cost associated with each bond issue listed on Exhibit D-1, Schedule 3 and

Exhibit S-21, produces the 7.02 percent cost found by the Commission. Witness Wilson used the coupon rate in computing his cost of debt, rather than the actual cost to the Company, and this approach is rejected.

6. MDU's cost of preferred stock was 6.99 percent as of June 30, 1975. This was the actual cost to the Company as found by Jackson on Schedule 3 of Exhibit D-1. Witness Wilson again used coupon rate rather than actual cost to the Company, and this approach is again rejected.

7. MDU's cost of equity capital, as of June 30, 1975, is found to be 11.75 percent. This cost was derived by Witness Wilson, using a discounted cash flow and comparable earnings analysis (Tr. Vol. XXII, pp. 536-537). Dr. Wilson's comparable earnings analysis utilized a larger sample of companies than did that of Mr. Jackson. In addition, Dr. Wilson's DCF analysis was based in part upon actual growth trends in earnings and dividends, while Jackson emphasized what he viewed as desirable trends.

Realized returns, reflecting actual growth rates, are a better indicator of investor requirements than are hypothetical trends which reflect certain expectations of what should happen. Jackson further relied upon the capitalization ratios of his comparison companies to reach the conclusion that MDU was entitled to the same equity return that was being earned by those companies (Tr. Vol. III, pp. 320-324). These ratios were different than MDU's, however.

8. MDU's capital structure on June 30, 1975, consisted of 51.63 percent, long term debt; 13.44 percent, preferred stock; and 34.93 percent, equity. The dollar amounts used in computing the preferred stock ratio are taken from Schedule 20 of Exhibit D-1. The equity dollar amounts and lone ter" debt amount are from Dr. Wilson's Exhibit S-30, and is an adjustment forward to June 30, 1975, from the Company's year-end figure.

This adjustment forward is necessary to take account of the most recent capital structure information available.

9. The capital component costs found in Findings 5, 6, and 7, when applied to the capitalization ratio found in Finding 8, produces a weighted cost of capital for the test year of 8.66 percent.

PART B - ELECTRIC UTILITY

RATE BASE

10. The Commission finds the following electric utility rate base:

Net Average Rate Base (original cost depreciated) . . .	$19,268,000
add:	
C. W. I. P. (In Service)	1,000
Pro Forma Adjustments	
add:	
Big Stone Plant	10,166,000
Big Stone to Sisseton Transmission	208,000
Pollution Control Facilities	3,488,000
less:	
Depreciation Reserve, Big Stone Plant	152,000
Pollution Control Facilities	94,000
Adjusted Net Book Cost	$32,885,000
add:	
Materials and Supplies	494,000
Fuel	122,000
Total Before Deductions	$33,501,000
Deductions:	
Accumulated Deferred Income Taxes Per Books	1,370,000
Pro Forma for Big Stone and Pollution Control Facilities	228,000
Accumulated Investment Tax Credits Per Books	280,000
Pro Forma for Big Stone and Pollution Control Facilities	193,000
Customer Advances 2,000	
Total Deductions	$ 2,073,000
TOTAL, ELECTRIC UTILITY RATE BASE	$31,428,000

11. The Commission finds that an average rate base is appropriate in this proceeding. As pointed out by Witness Hess, a year-end rate base results in a mix-matching of income with the plant that produced it (Tr. Vol. XIV, p. 812). Proper ratemaking procedure requires that the test year revenues and expenses realistically reflect expected performance under the test year base. The fact that this order is issued long after the end of the test year does not alter this requirement.

12. Applicant's proposed electric rate base included $3,000 for Construction Work In Progress

(C. W. I. P.) In Service. This $3,000 figure included a cost to complete of $2,398. Only C. W. I. P. actually in service is "used and useful," and all other amounts are deleted.

13. The value of the Big Stone to Sisseton transmission line was not included in the Applicant's proposed rate base. This property was included in Schedule 1 of Consumer Counsel Exhibit No. 4, however, and is allowed.

14. All non-revenue producing additions have been deleted from the Applicant's proposed rate base as these figures reflect C. W. I. P. which is not in service. C. W. I. P. is a plant item which is not "used and useful" in serving consumers (R. C. M. 1947, Section 70-105).

15. Applicant sought to include $218,000 in its electric rate base as compensating bank balances. These are minimum deposits required by banks as a condition of short-term loan arrangements, and which have the effect of raising the interest rate on the loan. In this proceeding, Applicant is compensated for this cost through the AFUDC (Tr. Vol. XIV, pp. 816-818).

16. Applicant argues that no rate base deduction should be made for deferred income taxes related to the Big Stone plant and pollution control facilities. Its position is that funds not having been collected, no reserve should be created on a pro forma basis." (Applicant's Opening Brief, p. 39.) This position ignores the fact that the Big Stone plant became operational beyond the close of the test year, and that its inclusion in the rate base reflects the recognition of a known change in Applicant's operations. Because the Commission accepts this pro forma adjustment, it must make all other adjustments necessary to reflect conditions as if the plant had been in operation in the test year. One such adjustment, necessary to consistent treatment, is an adjustment to accumulated deferred income taxes (Tr. Vol. XIV, pp. 821-822).

17. Applicant concedes that the accumulated 4 percent investment tax credit provided by the 1971 Tax Reform Act is a proper rate base deduction. It contests, however, the wisdom of further reducing rate base by the amount of the unamortized 3 percent and 7 percent investment tax credits provided in the 1962 Act, as amended in 1964. Applicant's position is that this deduction might result in loss to the Company of these credits. The Commission finds, however, that any restriction on the treatment of these credits urged by Witness Hess is confined to federal regulatory bodies, and that the unamortized balance of these credits is interest free capital and is

a proper deduction (Tr. Vol. XIV, pp. 818-821).

REVENUES AND EXPENSES

18. MDU's Exhibit H-1 showed electric operating revenues of $8,415,000, and total operating expenses of $7,252,000.

19. An adjustment to sales for resale of $666,000 must be made to reflect the full revenue impact of pro forma sales of surplus electric power from the Big Stone plant. This adjustment is appropriate because higher market rates for this pro forma surplus power were available than were actually obtained by the Applicant (Tr. Vol. XIV, pp. 826-828) The Big Stone plant was not on line during the 1974 test period, and yet it represents over 30 percent of the electric rate base allocated to Montana consumers in this proceeding, and accounts for a substantial part of the pro forma adjustments to test year operating expenses. Accordingly, it is only fair to Montana consumers to price out pro forma sales for resale at the highest price that could have been obtained.

20. Applicant's total Montana electric advertising expense as shown in Consumer Counsel Exhibit 2 was $21,000. Of this total, approximately $7,000 was institutional and promotional advertising expense (Tr. Vol. XIV, p. 828), which is disallowed in compliance with R. C. M. 1947, Section 70-1211. The remaining expense of $14,000 is allowed as it was primarily directed toward energy conservation.

21. Applicant sought to include as an expense $24,000, which was Montana's allocated portion of the cost of MDU's 50th Anniversary celebration (Exhibit S-33). Of this amount, $9,000 constitutes an allocated electric operating expense. This amount is disallowed as it is unusual, nonrecurring, and should appropriately be borne by stockholders.

22. Applicant's operating revenue figures failed to include the profit which it realized upon the reacquisition of its debt at a discount. Nor was this amount taken into account by other witnesses in their computations of the cost of debt. Witness Hess contended that an adjustment to revenues should be made to recognize this profit (Tr. Vol. XIV, pp. 836-837), and the Commission finds that this position was not controverted by MDU in its briefs. The Commission finds that electric operating revenues must be increased by $18,000 to reflect the amortization of this profit on debt

reacquired at a discount.

23. Applicant took the position in this case that full normalization should be adopted for tax purposes. This treatment would have the effect of permitting the Company to retain the full benefit of all tax savings realized by use of accelerated depreciation, and would necessitate an increase of $351,000 in the pro forma expenses allowed by the Commission. The Commission finds, however, that a flow through treatment, giving the immediate benefit of accelerated depreciation to ratepayers, is justified as there is no indication that MDU's present rate of expansion and plant replacement will change. With a constant rate of expansion, and continuous replacement of existing plant, new depreciation allowances should replace old ones at an even pace (Tr. Vol. XIV, p. 833).

24. The Commission finds that MDU had adjusted total electric operating income available for return of $1,862,000. This income provides, on the rate base found in Finding of Fact No. 10, a return of 5.92 percent.

REVENUE REQUIREMENT

25. The Commission finds that the additional revenues required in MDU's electric operations are $1,774,000. This amount is computed as follows:

Electric Utility:

Adjusted Rate Base $31,428,000a
Required Rate of Return 8.66%b

Required Return	$2,722,000	
Amount Available for Return on Present Rates		1,862,000c

a. Finding No. 10
b. Finding No. 9
c. Finding No. 24

Income Deficiency 860,000

Revenue Requirement $1,774,000a

PART B - GAS UTILITY

RATE BASE

26. The Commission finds the following average gas utility rate base for the test year:

Net Gas Plant in Service (original cost depreciated) .$29,075,000
add:
Gas Stored Underground 5,609,000
C. W. I. P. (In Service) . . . . ._ 12,000
Total Net Book Cost $34,696,000

add:
Gas Stored Underground - Current 1,485,000
Materials and Supplies 803,000

Total Before Deductions $36,984,000
Deductions:
Accumulated Deferred Income Taxes 1,524,000
Accumulated Investment Tax Credits 354,000
Customer Advances for Construction -. 30,000
Total Deductions . . . . $ 1,908,000
TOTAL GAS UTILITY RATE BASE $35,076,000

27. This rate base contains the following adjustments similar to those utilized in Part A:

A. An average rate base is used for the reasons stated in Finding No. ll,

a. This amount recognizes an income tax obligation of 51.51 percent for rate making purposes; however, actual accumulated deferred income taxes have been deducted from rate base in Finding No. 10.

B. Non-revenue producing additions are deleted for the reasons stated in Finding No. 14,

C. Compensating bank balances related to the gas utility totaling $312,000 have been deleted for the reasons stated in Finding No. 15, and

D. Accumulated investment tax credits available to the Company under both the 1971 Tax Reform Act and the 1962 Act, as amended in 1964, have been deducted for the reasons stated in Finding No. 17.

28. Applicant's proposed gas rate base included $23,000 for C. W. I. P. In Service. Of this amount, $10,780 was a cost co complete, and this is deleted as it is not "used and useful."

REVENUES AND EXPENSES

29. MDU's Exhibit I-1 shows gas operating revenues of $15,240,000, and expenses of $13,320,000.

30. Applicant sought an adjustment to its gas revenues and expenses to the level of 1973 industrial sales. This position was based upon expected curtailments of these sales. The evidence being, however, that the adjustments could not be predicted with a high degree of certainty, the proposed adjustment is rejected (Tr. Vol. XIV, p. 839).

31. Applicant seeks an allowance of $74,000 for amortization of unrecoverable advance payments made to gas producers. A similar request was disallowed by the Federal Power Commission on the ground that the arrangements in question were for exploratory drilling, and failed to insure recovery in gas or other consideration (Tr. Vol. XIV, pp. 839-841). Because the Company failed to comply with the Federal Power Commission guidelines, the Commission feels it would be improper to allow this expense.

32. The Commission finds that Applicant's test year Montana gas advertising expense was approximately $62,000. Of this amount $34,000 is disallowed for the reasons stated in Finding No. 20.

33. Gas operating revenues must be increased by $26,000 to take account of profit upon debt

reacquired at a discount.

34. Applicant proposed a $6,000 expense decrease to permit full normalization. This adjustment is rejected for the reasons stated in Finding No. 23.

35. The $13,000 which Applicant sought to include as a gas operating expense for MDU's 50th Anniversary celebration is disallowed for the reasons stated in Finding No. 21.

36. The Commission finds that MDU had adjusted total gas utility operating income available for return of $2,055,000. This income provides, on the rate base found in Finding of Fact No. 26, a return of 5.86 percent.

REVENUE REQUIREMENT

37. The Commission finds that the additional revenues required in MDU's natural gas operations are $2,028,000. This amount is computed as follows:

Gas Utility:

Adjusted Rate Base $35,076,000a
Recommended Rate of Return 8.66%b

Recommended Return $3,038.000
Amount Available for Return on Present Rates 2,055,000c

a. Finding No. 26
b. Finding No. 9
c. Finding No. 36

Income Deficiency 983,000
Revenue Requirement $2,028,000a

PART C
RATE STRUCTURE

38. An abbreviated allocated cost of service study, the methodology and results of which were not presented on the record, was discussed by Witness Gamble (Tr. Vol. VIII, pp. 1418-1420). The Commission has no means of evaluating the validity

of this study, and, accordingly, rejects Gamble's conclusion that the study "substantially justified" MDU's declining block rate structure.

39. Allocated cost of service studies for MDU's Montana gas and electric operations were prepared by Applicant in response to staff data requests in this proceeding. The studies were submitted by Witness Vander Veen as Applicant's Exhibits L-6 and L-6A, and were admitted subject to the qualification that they would be afforded whatever weight the Commission saw fit to give them (Tr. Vol. XI, p. 206).

40. The gas and electric cost studies submitted by Applicant were based only in part upon the actual load characteristics of MDU's Montana customer classes (Exhibit L-6A, p. 6). To the extent that residential and commercial class load data was "synthesized" or "developed," rather than having been collected by actual meterings, these studies are of highly dubious value. Accordingly, the conclusions of these cost of service studies are afforded no weight.

41. The proposed uniform percentage increase on electric and gas rates charged all classes of customers would, without justification in the record, a. This amount recognizes an income tax obligation of 51.51 percent for rate making purposes; however, actual accumulated deferred income taxes have been deducted from rate base in Finding No. 26. create an even greater disparity in rates paid by different classes of customers than now exists.

42. A more reasonable approach, in the absence of a valid allocated costof service study, is to spread the required increases indicated in Findings 33 and 34 on a uniform, constant cents per Kwh and Mcf basis to residential and commercial classes, and to spread the remaining amounts to industrial customers on the basis of the contracts filed with the Commission.

PART D

DOCKET 6342

43. MDU first began serving Gary Operating Company (GOC) on January 25, 1971, under a gas service agreement with a volume limitation of 150,000 Mcf of gas on an annual basis at 13.3125 psia pressure base. All gas service agreements executed between MDU and GOC since that time have contained the same volume limitation or its equivalent of 133,000 Mcf at a

pressure base of 15.025 psia.

44. Volumes greatly in excess of the contractual volume limitation were consumed by GOC, but always with the express understanding between MDU and GOC that the consumption of increased volumes would be temporary only. Because of the insistence of MDU that GOC reduce its gas requirements to contract quantities, GOC began electrifying its oil production fields.

45. On December 4, 1973, Fred A. Haddenhorst, Production Manager, GOC, acknowledged in writing the obligation of GOC to limit itself to the annual volume consumption stated in Finding of Fact No.43. The latest contract between MDU and GOC which is contained in this record had a term from January 26, 1975, to June 30, 1975, and a volume limitation equal to that specified in Finding of Fact No. 43 pro-rated over the term of the contract.

46. GOC is industrial interruptible customer of MDU and is not eligible for delivery of gas upon a firm basis.

47. The primary purpose of the gas delivery system of MDU is to serve residential, small commercial and other firm customers who have no access to alternative fuels.

48. Natural gas is presently in short supply.

49. In view of the large volumes of gas used by GOC in excess of contractual limitations, and in view of the alternate sources of fuel available to GOC at its Bell Creek field, the Commission finds that GOC would not suffer unjust discrimination by being limited to the annual volume for consumption specified in its contracts from January 25, 1971, to June 30, 1975.

CONCLUSIONS OF LAW

1. The rate bases found in Finding of Fact No. 10 for the electric utility, and Finding of Fact No. 26 for the gas utility reflect original cost depreciated values. These values comply with the requirement of R. C. M. 1947, Section 70-106, that the valuation of the utility's property for ratemaking purposes "shall not exceed the original cost of the property."

2. All Construction Work In Progress not in service has been excluded from the rate base in compliance with the "actually used and useful" requirement of Section 70-106.

3. Compensating bank balances, rather than being a rate base item, should be reflected in the

cost of capital or the AFUDC capitalization rate. Since Applicant is compensated for this cost in this case through the AFUDC, exclusion from the rate base is warranted.

4. The adjustment to revenue from sales for resale described in Finding of Fact No. 19 is appropriate because prudent managerial initiative would produce this revenue from sales of excess electrical power.

Consideration of sales of excess power accompanies the pro forma inclusion of the Big Stone plant in the adjusted rate base.

5. Advertising expenses which do not comply with the requirements of R. C. M. 1947, Section 70-121.1, have been disallowed in Findings of Fact Nos. 20 and 32.

6. The disallowance of an expense for amortization of unrecoverable advance payments made to gas producers is proper because MDU failed to protect its customers by insuring that some consideration would be realized for its expenditures.

7. The rate of return allowed for this order meets the constitutional requirements that-the return be "commensurate with returns on investments in other enterprises having corresponding risks and sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital." Federal Power Commission v. Hope Natural Gas Company, 320 O. S. 591, 603 (1944).

8. The rates and charges and the rate structure authorized herein are just and reasonable.

9. In the absence of demonstrably valid allocated cost of service data, and in view of the nature of MDU's increased expenses, the volumetric increases authorized herein are justified.

10. The present gas shortage, combined with the availability of natural gas to Gary Operating Company (GOC) from its own sources, GOC's past contractual commitments, and the magniture of GOC's past consumption, require the GOC be limited to its agreed usage.

11. Such limitation is not unjustly discriminatory either in favor of or against GOC or in favor of or against any other customer of MDU.

ORDER

THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. In view of Finding No. 3, the Petition of the Montana Consumer Counsel in Docket 6341 for decreases in natural gas and electric rates is denied.

2. In view of Finding No. 3, the Petition of MDU in Docket 6343 to terminate gas service to The Great Western Sugar Company is dismissed.

3. MDU shall file rate schedules with the Commission, effective for the next full billing period after November 15, 1976, which reflect revenue increases increases of S60,000 on electric service, and $11,000 on gas service. These increases shall be in addition to the increases granted on temporary basis in Order No. 4245.

4. This increase shall be distributed to residential and commercial customers on a uniform, constant cents per Mcf and Kwh basis. Increases in electric approval, an order will be issued modifying the rates granted herein, and rates shall be applied to rate levels established following the Commission' of June 3, 1976, with regard to MDU's electrical industrial customers. The contribution of the natural gas contract customers shall be in the sum of $1,151,000, as reflected in contracts filed with and approved by the Commission.

5. Gary Operating Company and MDU shall negotiate toward a Gas Service Agreement which is in line with Gary's past contractual commitments.

6. MDU shall proceed with plans for a load study for its Montana gas and electric customers, as was ordered in Order No. 4245. When a plan is finalized it shall be presented to the Commission for its review and approval. Following approval, an order will be issued modifying the rates granted herein, and permitting MDU to recover the cost of the load study amortized over a three year period.

DONE IN OPEN SESSION, by a vote of 4-1 , this 10th day of November, 1976.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

GE Bollinger, Chairman

P.J. Gilfeather Commissioner

Thomas G. Monahan, Commissioner
Voting to Dissent

James R. Shea, Commissioner

George Turman, Commissioner

ATTEST

Gail E. Behan
Secretary

(SEAL)

NOTICE: You are entitled to judicial review of this order. Judicial review may be obtained by filing within thirty (30) days from the service of this order, a petition for review pursuant to Section 82-4216, R.C.M 1947.

DISSENT

My decision to dissent in the order granting MDU an increase in their gas and electrical rates must be taken in order to point out as forcefully as possible that there is an inevitable and tragic collision pending between the needs of society and the inability of certain members of society to pay for those needs.

Evidence presented in the public hearing and subsequently exhaustively analyzed by this Commission have proved that MDU must have an increase in income in order to continue providing service. This point is clearly and logically presented.

In the order issued by this Commission and signed by four of my fellow Commissioners however, the order authorizes the same rate structure as has historically existed. While this rate structure may well have been justified in times of cheap supply of gas and electrical service, where large users paid proportionately less than small users, we are now reaching a point where payment for even a small amount of energy can be a crushing burden. The utility regulation industry has taken note of these problems and various suggestions have been put forth; lifeline, energy stamps, welfare programs are only some of the solutions.

It is argued that such proposals should be legislative rather than regulatory. This may well be so but it will be of small consolation to an elderly person on a starvation income to know that the legislature will meet in a year or two and that in 1980, he or she will not have to choose between freezing to death or starving to death.

In this dissent, I recognize that I have no point of law, but when faced with the conflicts of law and humanity, I have no choice. I must say as strongly as possible that we must support humanity. There have been groups formed in the state and support in the legislature for lifeline proposals, but none was present to offer testimony to support a lifeline proposal before this Commission. When comparing law, logic and economic realities with the needs of senior citizens who cannot afford crippling gas and electrical rates,

I must dissent.

Thomas G. Monahan, Commissioner
Voting to dissent

Service Date: November 19, 1976

DEPARTMENT OF PUBLIC SERVICE REGULATION
PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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MONTANA-DAKOTA UTILITIES COMPANY	)	
for authority to establish increased rates for	)	DOCKET NO. 6277, 6309
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	)	Errata Sheet

Errata Sheet

The reference in Finding of Fact No. 42, page 14, to Findings 33 and 34 should be, instead, to Findings 25 and 37.